

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2021 RMB'000 Unaudited	Preceding Quarter 31.12.2020 RMB'000 Unaudited	Current Year To Date 31.12.2021 RMB'000 Unaudited	Preceding Year To Date 31.12.2020 RMB'000 Unaudited
Revenue	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Other Operating Income	-	-	-	-
Administrative Expenses	(126)	(39)	(257)	(138)
Selling and Distribution Expenses	-	-	-	-
Finance Costs	-	-	-	-
Loss Before Taxation	(126)	(39)	(257)	(138)
Taxation	-	-	-	-
Loss for the Financial Period	(126)	(39)	(257)	(138)
Other Comprehensive Income, Net of Tax				
Item that may be Reclassified Subsequently to Profit or Loss				
Currency Translation Differences	-	-	-	-
Loss and Other Comprehensive Income for the Financial Period	(126)	(39)	(257)	(138)
Loss for the Financial Period Attributable to:				
Owners of the Company	(126)	(39)	(257)	(138)
Non-Controlling Interest	-	-	-	-
	(126)	(39)	(257)	(138)
Loss and Other Comprehensive Income for the Financial Period Attributable to:				
Owners of the Company	(126)	(39)	(257)	(138)
Non-Controlling Interest	-	-	-	-
	(126)	(39)	(257)	(138)
Loss Per Ordinary Share Attributable to Equity Holders of the Company				
Basic (RMB)	(0.0001)	(0.0001)	(0.0002)	(0.0001)
Diluted (RMB)	N/A	N/A	N/A	N/A

N/A – Not applicable

Notes:

- (i) *The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statement for the year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report*

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2021 RMB'000 Unaudited	As at 30.06.2021 RMB'000 Audited
ASSETS		
Current Asset		
Cash and Bank Balances	31	32
	31	32
TOTAL ASSET	31	32
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share Capital	93,179	93,179
Reserves	(97,043)	(96,786)
TOTAL EQUITY	(3,864)	(3,607)
LIABILITY		
Current Liability		
Trade and Non-Trade Payables	3,895	3,639
	3,895	3,639
TOTAL LIABILITY	3,895	3,639
TOTAL EQUITY AND LIABILITY	31	32
Net Asset Per Share (RMB)	(0.003)	(0.003)

Notes:

- (i) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statement for the year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.*

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RMB'000	Non-Distributable Capital Redemption Reserve RMB'000	Distributable Accumulated Losses RMB'000	Total Equity RMB'000
Unaudited				
As at 1 July 2021	93,179	660,457	(757,243)	(3,607)
Loss for the financial period	-	-	(257)	(257)
Total comprehensive income	-	-	(257)	(257)
As at 31 December 2021	93,179	660,457	(757,500)	(3,864)
Unaudited				
As at 1 July 2020	93,179	660,457	(756,895)	(3,259)
Loss for the financial year	-	-	(138)	(138)
Total comprehensive income	-	-	(138)	(138)
As at 31 December 2020	93,179	660,457	(757,033)	(3,397)

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31.12.2021 RMB'000 Unaudited	Preceding Year To Date 31.12.2020 RMB'000 Unaudited
Cash Flows from Operating Activity		
Loss before taxation	(257)	(138)
Increase in payables	256	138
Net cash used in operating activity	(1)	-
Cash Flows from Investing Activity		
Net cash generated from investing activity	-	-
Cash Flows from Financing Activity		
Net cash generated from financing activity	-	-
Net decrease in cash and cash equivalents	(1)	-
Cash and cash equivalents as at beginning of financial period	32	34
Cash and cash equivalents as at end of financial period	31	34

Note:

1. Cash and cash equivalents at the end of the financial period comprise the following:-

	As at 31.12.2021 RMB'000	As at 31.12.2020 RMB'000
Cash and bank balances	31	34

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRSs") No. 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Main LR**") and should be read in conjunction with the audited financial statements of the Company and its subsidiaries ("**Group**") for the financial year ended 30 June 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 June 2021.

The interim financial report of the Group has been prepared after derecognised its subsidiaries, namely China Automobile Parts (Hong Kong) Holdings Limited ("**CAP HK**") and QuanZhou FenSun Automobile Parts Co, Limited ("**FenSun**"). The results of subsidiary companies are derecognised in the consolidation group accounts during the financial period ended 30 June 2017 due to the loss of control in operations of the respective subsidiaries.

Subsequent to the financial year ended 31 December 2015, Messrs PKF, its external auditors during that financial year, had discovered the following :-

- (i) various material litigation involving the Group and FenSun and its directors in the People's Republic of China ("**PRC**"). These include judgement issued against FenSun and its directors on 11 July 2016 and 21 November 2016 by People's Court of Jinjiang City in Fujian on outstanding borrowings, inclusive of interest, at an estimated sum of RMB52.8 million owing to the Agricultural Bank of China ("**ABOC**"). The case was referred to the Fujian Higher People's Court and judgement was obtained on 1 November 2016, reinforcing the earlier judgement by the People's Court of Jinjiang City in Fujian;
- (ii) various other litigation involving FenSun, whether at trial or enforcement stage, carrying potential liabilities amounting up to a sum not less than RM263.0 million (including the sum owed to ABOC as stated in (i) above owing to various parties; and
- (iii) the financial institution has exercised its security on bank credit facilities granted to FenSun and placed under auction, the Group's building and land use rights on 31 March 2017, with carrying values of RMB129.2 million and RMB12.08 million respectively. The building represents FenSun's primary factory, warehouse, staff quarters and administration office.

The Directors are unable to determine and work out any plan on how the operations of the Group will continue in view of the auction.

In view of the occurrence of events stated in Section (i) to (iii), it indicates that CAP ceased to have a controlling financial interest on FenSun and CAP HK due to FenSun's default of bank borrowings owed to several financial institutions. Hence, CAP has derecognised the financial results of both CAP HK and FenSun during the financial year ended 30 June 2017.

On 11 January 2018 ("**Trigger Date**"), China Automobile Parts Holdings Limited ("**CAP**") was classified as an Affected Listed Issuer pursuant to paragraph 2.1(d) of Practice Note 17 ("**PN17**") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Main LR**"), as based on the re-issued audited consolidated financial statements for the financial year ended ("**FYE**") 31 December 2015 ("**AFS 2015**"), the auditors have expressed a disclaimer of opinion in the AFS 2015.

Pursuant to PN17 of the Listing Requirements, the Company is required to, amongst others, regularise its condition and submit a regularisation plan to the relevant authorities for their approval by 10 January 2019, i.e. 12 months from the Trigger Date. Bursa Securities had granted CAP extension of time from 11 January 2019 to 10 January 2021 to submit its regularisation plan to the regulatory authorities via its letters of approval dated 15 February 2019, 8 August 2019, 4 March 2020 and 17 August 2020. On 18 February 2021, the Company announced that Bursa Securities further granted CAP extension of time of 6 months up to 10 July 2021 to submit its regularisation plan to the regulatory authorities via its letter

of approval dated 17 February 2021. On 13 August 2021, the Company announced that Bursa Securities further granted CAP extension of time of 6 months up to 10 January 2022 to submit its regularisation plan to the regulatory authorities via its letter of approval dated 13 August 2021. On 11 January 2022, the Company announced that it has made another application to Bursa Securities seeking approval for a further extension of time up to 10 September 2022 to submit the regularisation plan to regularise the financial condition of the Company.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2021 contained disclaimer of opinion.

The Independent Auditors have expressed a basis for disclaimer of opinion section in respect of deconsolidation of subsidiaries, assertion concerning opening balances, insufficient documentary evidence pertaining to current year's transactions and material uncertainty relating to going concern. Because of the significance of above matters, the Independent Auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

A3. Seasonality or Cyclicity of Operations

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter.

A4. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial year to-date.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year that have a material impact on the current financial year-to-date.

A6. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date.

A7. Dividends Paid

There were no payments of dividends during the current financial quarter and year to-date.

A8. Segmental Information

As the Group's operations are located wholly in Malaysia, segmental information reporting is not relevant in the context of the Group.

A9. Material Events subsequent to the End of the Current Financial Quarter

There were no other material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial report, except for the following:-

On 26 May 2017, Bursa Securities announced that PKF had informed Bursa Securities on the non-reliance of the auditor's report for the AFS 2015. The said letter, mentioned among others, "*there were significant unreported borrowings and material litigation during FenSun Automobile Parts Co, Limited ("**FenSun**")'s financial year ended 31 December 2015*" and "*As the financial effects of these undisclosed events have therefore not been determined and accounted for by the Directors in the Company's financial statements for the FYE 2015, the financial statements of the Company for the FYE 2015, and in respect of which our auditor's report dated 6 April 2016 was issued, do not give a true and fair view...*".

On 9 June 2017, Bursa Securities issued a directive to CAP to make an immediate announcement on the judicial auction on the buildings and land use rights owned by FenSun ("**Judicial Auction**"), a main subsidiary of CAP.

On 11 January 2018, CAP submitted its re-issued AFS 2015 with a disclaimer of opinion from PKF and on the same date, CAP announced it had triggered Paragraph 2.1(d) of PN17 of the Listing Requirements and it shall be classified as PN 17 company.

On 5 July 2019, CAP announced that it had entered into a memorandum of understanding (“**MOU 1**”) with Local Assembly Sdn Bhd (“**LA**”) to negotiate in good faith with a view of entering into a definitive sale and purchase agreement(s) for the acquisition by CAP of the shares/assets (“**Assets**”) of LA and other related companies (“**Proposed Acquisition**”) and the other key proposals to be implemented under the Proposed Regularisation Plan.

On 4 December 2019, CAP announced that LA has vide its solicitors’ (Rohamat & Ling Advocates & Solicitors) letter dated 25 November 2019 informed, among others, in view that the sellers of LA (“**Sellers**”) have not received a valid and executed term sheet, it shall be deemed that CAP no longer intends to continue with the Proposed Acquisition of LA. In such event, all negotiation, and the MOU dated 5 July 2019, between the Parties shall automatically be deemed terminated.

On 6 January 2020, CAP announced it had entered into a memorandum of understanding (“**MOU 2**”) with Chia Yok Chin, the sole shareholder of Paw Leck Engineering Pte Limited (“**PLE**”) (“**Vendor**”) to negotiate in good faith with a view of entering into a definitive sale and purchase agreement(s) for the acquisition by CAP of the entire equity interest of PLE (“**Proposed Acquisition**”) and the other key proposals to be implemented under the Proposed Regularisation Plan entails the proposed capital reduction, proposed acquisition, proposed exemption, proposed private placement, proposed offer for sale and proposed disposal of Quan Zhou FenSun Automobile Parts Co., Limited (a wholly owned subsidiary of CAP) to a third party. On 11 January 2021, the Company announced that the MOU 2 has been terminated on even date as there was no positive progress after the execution of the MOU 2 such as commencement of legal and financial due diligence on PLE and other matters.

On 22 February 2021, CAP announced that it had entered into a memorandum of understanding (“**MOU 3**”) with Gan Kah Siong (“**GKS**”) (“**Vendor**”), being the controlling shareholder of Idaman Sejiwa Development Sdn Bhd [Company No.: 201301009006 (1038848-V)] (“**ISD**”) to negotiate in good faith with a view of entering into a definitive share sale agreement(s) (“**SSA**”) for the acquisition by CAP of the entire equity interest of ISD (“**Proposed Acquisition**”) and the other key proposals to be implemented under the proposed regularisation plan in respect of CAP, which would involve, inter alia, proposed incorporation of a new holding company (“**Newco**”), proposed acquisition of ISD and other related companies by Newco via issuance of ordinary shares of Newco (“**Newco Shares**”), proposed share exchange of CAP shares with Newco Shares, proposed shares placement by Newco and proposed transfer of listing status from CAP to Newco (collectively “**Proposed Regularisation Plan**”). On 17 May 2021, CAP announced that CAP has received a termination letter dated 12 May 2021 from GKS informing that in view of there is no progress after the execution of the MOU 3, such as commencement of due diligence, preparation of audited accounts of CAP and other matters, the MOU 3 shall be terminated and lapsed automatically.

On 2 July 2021, CAP announced that it had entered into a memorandum of understanding (“**MOU 4**”) with Lee Seng Guan, Tan Gim Yiam, Lee Hay Chiang, Lee Sue Keng and Lee Peng Quan (collectively referred to as “**the Vendors**”), being the shareholders of Tenda Construction Equipment Pte Ltd (Registration No.: 201508976W) and Tenda Equipment & Services Pte Ltd (Registration No.: 1997048078A), (both incorporated in Singapore and collectively referred to as “**the Target Companies**”) to negotiate in good faith with a view of entering into a definitive share sale agreement(s) (“**SSA**”) for the acquisition by CAP of the entire equity interest of the Target Companies (“**Proposed Acquisition**”) and the other key proposals to be implemented under the proposed regularisation plan in respect of CAP, which would involve, inter alia, proposed incorporation of a new holding company (“**Newco**”), proposed acquisition of the Target Companies by Newco via issuance of ordinary shares of Newco (“**Newco Shares**”), proposed share exchange of CAP shares with Newco Shares, proposed shares placement by Newco and proposed transfer of listing status from CAP to Newco (collectively “**Proposed Regularisation Plan**”). On 16 December 2021, the Company announced that CAP has terminated the MOU 4 as there is no progress after executing the MOU 4, such as commencement of financial and legal due diligence, preparation of audited accounts of CAP and other matters due to the closing of borders between Malaysia and Singapore during the period from 2 July 2021 to 29 November 2021.

On 17 December 2021, CAP announced that it had entered into a memorandum of understanding (“**MOU 5**”) with Dato’ Lau Kim San, being the sole shareholder and director of Master Tec Wire & Cable Sdn Bhd, to negotiate in good faith with a view of entering into a definitive share sale agreement (“**SSA**”) for the acquisition by CAP of the entire equity interest of the Target Company (“**Proposed Acquisition**”) and the other key proposals to be implemented under the Proposed Regularisation Plan in respect of CAP. On 27 January 2022, CAP announced that it has resolved to terminate the MOU 5.

On 28 January 2022, CAP announced that it had entered into a memorandum of understanding (“**MOU 6**”) with Tan Sri Datuk Seri Panglima Joseph Lo @ Lo Tain Foh and Datuk Jonathan Lo Chaw Loong (collectively referred to as “**the Vendors**”), to negotiate in good faith with a view of entering into a definitive share sale agreement(s) (“**SSA**”) for the acquisition of the entire equity interest of the Azam Jaya Properties Sdn Bhd (“**AJP**”), Pembinaan Azam Jaya Sdn Bhd (“**PAJ**”) and Kolopis Jaya Sdn Bhd (“**KJSB**”) (“**Target Companies**”) (“**Proposed Acquisition**”) and the other key proposals to be implemented under the proposed regularisation plan in respect of CAP, which would involve, inter-alia, proposed incorporation of a new holding company (“**Newco**”), proposed acquisition of the Target Companies by Newco via issuance of ordinary shares of Newco (“**Newco Shares**”), proposed share exchange of CAP shares with Newco Shares, proposed shares placement by Newco, proposed offer for sale by the Vendors and proposed transfer of listing status from CAP to Newco (collectively “**Proposed Regularisation Plan**”). On 11 February 2022, CAP announced the appointment of Mercury Securities Sdn Bhd as the Company’s Principal Adviser and Placement Agent in relation to the Proposed Regularisation Plan.

On 24 November 2021, CAP announced that Bursa Securities has on 23 November 2021 commenced de-listing procedures against CAP pursuant to paragraph 9.28(6) of the Bursa Securities Main Market Listing Requirements (“**Main LR**”) in respect of CAP’s failure to issue/announce various financial statements exceeding 6 months from the expiry of the due dates. Commencement of de-listing is undertaken against CAP after enforcement actions were taken against CAP and its directors for various breaches of the securities laws and Main LR. On 30 November 2021, the Company has submitted a written representation to Bursa Securities in replying to the Show Cause Notice.

On 15 December 2021, the Company announced that Bursa Securities has vide its letter dated 15 December 2021 informed the Company that Bursa Securities has resolved to de-list CAP pursuant to paragraphs 9.28(6) and 16.11(1)(b) of the Main LR as CAP had failed to issue audited financial statements for the financial years ended 30 June 2017 to 2020 (“**Outstanding Financial Statements**”) exceeding 6 months from the stipulated timeframe under paragraph 9.23(1) of the Main LR. On 20 December 2021, the Company had submitted an appeal against Bursa Securities’ decision to de-list CAP and remove its securities from the Official List of Bursa Securities on 27 December 2021 pursuant to paragraph 9.28(6) and 16.11(1)(b) of the Main LR. Subsequently, the Company had issued and submitted all Outstanding Financial Statements and Audited Financial Statements for financial year ended 30 June 2021 to Bursa Securities on 24 December 2021 and 31 December 2021 respectively.

A10. Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial year to date.

A11. Changes in Contingent Liabilities and Contingent Assets

Subsequent to the financial year ended 31 December 2015, Messrs PKF, its external auditors during that financial year, had discovered the following :-

- (i) various material litigation involving the Group and FenSun and its directors in the People’s Republic of China (“**PRC**”). These include judgement issued against FenSun and its directors on 11 July 2016 and 21 November 2016 by People’s Court of Jinjiang City in Fujian on outstanding borrowings, inclusive of interest, at an estimated sum of RMB52.8 million owing to the Agricultural Bank of China (“**ABOC**”). The case was referred to the Fujian Higher People’s Court and judgement was obtained on 1 November 2016, reinforcing the earlier judgement by the People’s Court of Jinjiang City in Fujian;
- (ii) various other litigation involving FenSun, whether at trial or enforcement stage, carrying potential liabilities amounting up to a sum not less than RM263.0 million (including the sum owed to ABOC as stated in (i) above owing to various parties; and
- (iii) the financial institution has exercised its security on bank credit facilities granted to FenSun and placed under auction, the Group’s building and land use rights on 31 March 2017, with carrying values of RMB129.2 million and RMB12.08 million respectively. The building represents FenSun’s primary factory, warehouse, staff quarters and administration office.

The above information was collaborated by the Independent solicitors engaged by PKF, which indicated there were significant unreported borrowings and material litigations as at the current date.

A12 Capital Commitments

At the end of the current financial quarter, the Group has the following approved capital expenditure:

	RMB'000
Contracted but not provided for	<u><u>-</u></u>

A13 Significant Related Party Transactions

The Group has no significant related party transactions during the current financial year to-date.

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

	Individual Period (2nd Quarter)			Cumulative Period		
	Current Year Quarter 31.12.2021 RMB'000	Preceding Year Quarter 31.12.2020 RMB'000	Changes %	Current Year ToDate 31.12.2021 RMB'000	Preceding Year ToDate 31.12.2020 RMB'000	Changes %
Revenue	-	-	-	-	-	-
Loss Before Interest and Tax	(126)	(39)	(223.08)%	(257)	(138)	(86.23)%
Loss Before Tax	(126)	(39)	(223.08)%	(257)	(138)	(86.23)%
Loss After Tax	(126)	(39)	(223.08)%	(257)	(138)	(86.23)%
Loss Attributable to Ordinary Equity Holders of Parent	(126)	(39)	(223.08)%	(257)	(138)	(86.23)%

The Group has no revenue recorded for the current financial period and preceding financial period.

For the second financial quarter under review, the Group recorded a pre-tax loss of RMB126,000 as compared to a pre-tax loss of RMB39,000 in the corresponding period last year mainly due to higher expenses incurred during the current financial quarter.

B2. Comments on Material Changes in the Profit before Tax

	Current Quarter 31.12.2021 RMB'000	Immediate Preceding Quarter 30.09.2021 RMB'000	Changes %
Revenue	-	-	-
Loss Before Interest and Tax	(126)	(131)	3.82%
Loss Before Tax	(126)	(131)	3.82%
Loss After Tax	(126)	(131)	3.82%
Loss Attributable to Ordinary Equity Holders of Parent	(126)	(131)	3.82%

The Group has no revenue recorded for both the current and immediate preceding financial quarters.

For the quarter ended 31 December 2021, the Group recorded a pre-tax loss of RMB126,000 as compared to a pre-tax loss of RMB131,000 in the previous quarter ended 30 September 2021, mainly due to lower expenses incurred during the current financial quarter.

B3. Commentary on Prospects

During the financial period ended 30 June 2017, CAP ceased to have a controlling financial interest on FenSun and CAP HK due to FenSun's default of bank borrowings owed to several financial institutions. Hence, CAP has derecognised the financial results of both FenSun and CAP HK during the financial period ended 30 June 2017.

Since the derecognition of its subsidiaries above, CAP does not have any business for the current financial year.

B4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

B5. Income Tax Expense

	Current Year Quarter 31.12.2021 RMB'000	Current Year To Date 31.12.2021 RMB'000
Current quarter/year expense:		
PRC income tax	-	-
Effective PRC income tax rate	- %	- %

The Group's effective PRC income tax rate for the year to date is not reflective given the loss position of the Group.

B6. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 31 December 2021.

B7. Borrowings and Debt Securities

Subsequent to the financial year ended 31 December 2015, Messrs PKF, its external auditors during that financial year, had discovered the following :-

- (i) various material litigation involving the Group and FenSun and its directors in the People's Republic of China ("PRC"). These include judgement issued against FenSun and its directors on 11 July 2016 and 21 November 2016 by People's Court of Jinjiang City in Fujian on outstanding borrowings, inclusive of interest, at an estimated sum of RMB52.8 million owing to the Agricultural Bank of China ("ABOC"). The case was referred to the Fujian Higher People's Court and judgement was obtained on 1 November 2016, reinforcing the earlier judgement by the People's Court of Jinjiang City in Fujian;
- (ii) various other litigation involving FenSun, whether at trial or enforcement stage, carrying potential liabilities amounting up to a sum not less than RM263.0 million (including the sum owed to ABOC as stated in (i) above owing to various parties; and
- (iii) the financial institution has exercised its security on bank credit facilities granted to FenSun and placed under auction, the Group's building and land use rights on 31 March 2017, with carrying values of RMB129.2 million and RMB12.08 million respectively. The building represents FenSun's primary factory, warehouse, staff quarters and administration office.

The above information was collaborated by the independent solicitors engaged by PKF, which indicated there were significant unreported borrowings and material litigations as at 31 December 2021.

B8. Changes in Material Litigation

Subsequent to the financial year ended 31 December 2015, Messrs PKF, its external auditors during that financial year, had discovered the following :-

- (i) various material litigation involving the Group and FenSun and its directors in the People's Republic of China ("PRC"). These include judgement issued against FenSun and its directors on 11 July 2016 and 21 November 2016 by People's Court of Jinjiang City in Fujian on outstanding borrowings, inclusive of interest, at an estimated sum of RMB52.8 million owing to the Agricultural Bank of China ("ABOC"). The case was referred to the Fujian Higher People's Court and judgement was obtained on 1 November 2016, reinforcing the earlier judgement by the People's Court of Jinjiang City in Fujian;
- (ii) various other litigation involving FenSun, whether at trial or enforcement stage, carrying potential liabilities amounting up to a sum not less than RM263.0 million (including the sum owed to ABOC as stated in (i) above owing to various parties; and

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
DECEMBER 2021

(iii) the financial institution has exercised its security on bank credit facilities granted to FenSun and placed under auction, the Group's building and land use rights on 31 March 2017, with carrying values of RMB129.2 million and RMB12.08 million respectively. The building represents FenSun's primary factory, warehouse, staff quarters and administration office.

The above information was collaborated by the independent solicitors engaged by PKF, which indicated there were significant unreported borrowings and material litigations as at 31 December 2021.

B9. Dividends Payable

No dividend has been declared or recommended for the current financial quarter and year to-date.

B10. Loss per Share

Basic	Current Year Quarter 31.12.2021	Preceding Year Quarter 31.12.2020	Current Year To Date 31.12.2021	Preceding Year To Date 31.12.2020
Loss attributable to ordinary shareholders of the Company (RMB'000)	(126)	(39)	(257)	(138)
Weighted average number of ordinary shares in issue ('000)	1,361,969	1,361,969	1,361,969	1,361,969
Basic loss per share (RMB)	(0.0001)	(0.0001)	(0.0002)	(0.0001)

Diluted

The Company has no other dilutive potential ordinary shares in issue as at the end of the current financial quarter.

B11. Loss before Tax

Loss before tax is derived after taking into account the following expense/(income) items:

	Current Year Quarter 31.12.2021 RMB'000	Preceding Year Quarter 31.12.2020 RMB'000	Current Year To Date 31.12.2021 RMB'000	Preceding Year To Date 31.12.2020 RMB'000
Other income	-	-	-	-

B12 Authorisation for Issue

The interim financial statements were approved and authorised for issued by the Board of Directors in accordance in accordance with a resolution of the Directors on 21 February 2022.

By Order of the Board,

Wang Yu Yun (Ms)
Executive Chairperson

Date: 21 February 2022

APPENDICES – FINANCIAL STATEMENTS TRANSLATED INTO RINGGIT MALAYSIA
(FOR ILLUSTRATIVE PURPOSES ONLY)

The Board of Directors wish to highlight that the presentation currency adopted by the Group in preparing the interim financial statements is Renminbi (“**RMB**”).

The following supplementary financial statements in Ringgit Malaysia (“**RM**”) (which include condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows) are shown for illustrative purposes only and have been translated at single exchange rate of RMB1 to RM0.6547 at 31 December 2021. The translation should not be construed as a representation that the RMB amounts actually have been or could be converted into RM at this or any other rate.

List of supplementary financial statements in RM:

Appendix A – Condensed Consolidated Statement of Comprehensive Income

Appendix B – Condensed Consolidated Statement of Financial Position

Appendix C – Condensed Consolidated Statement of Changes in Equity

Appendix D – Condensed Consolidated Statement of Cash Flows

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000 Unaudited	Preceding Year Quarter 31.12.2020 RM'000 Unaudited	Current Year To Date 31.12.2021 RM'000 Unaudited	Preceding Year To Date 31.12.2020 RM'000 Unaudited
Revenue	-	-	-	-
Cost of Sales	-	-	-	-
Gross Profit	-	-	-	-
Other Operating Income	-	-	-	-
Administrative Expenses	(82)	(25)	(168)	(90)
Selling and Distribution Expenses	-	-	-	-
Finance Costs	-	-	-	-
Loss Before Taxation	(82)	(25)	(168)	(90)
Taxation	-	-	-	-
Loss for the Financial Period	(82)	(25)	(168)	(90)
Other Comprehensive Income, Net of Tax				
Item that may be Reclassified Subsequently to Profit or Loss				
Currency Translation Differences	-	-	-	-
Loss and Other Comprehensive Income for the Financial Period	(82)	(25)	(168)	(90)
Loss for the Financial Period Attributable to:				
Owners of the Company	(82)	(25)	(168)	(90)
Non-Controlling Interest	-	-	-	-
	(82)	(25)	(168)	(90)
Loss and Other Comprehensive Income for the Financial Period Attributable to:-				
Owners of the Company	(82)	(25)	(168)	(90)
Non-Controlling Interest	-	-	-	-
	(82)	(25)	(168)	(90)
Loss Per Ordinary Share Attributable to Equity Holders of the Company				
Basic (RM)	(0.0001)	(0.0001)	(0.0001)	(0.0001)
Diluted (RM)	N/A	N/A	N/A	N.A

NA- Not Applicable

Notes:

- (i) *The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statement for the year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.*

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2021 RM'000 Unaudited	As at 31.12.2020 RM'000 Audited
ASSET		
Current Asset		
Cash and Bank Balances	20	21
	20	21
TOTAL ASSET	<u>20</u>	<u>21</u>
EQUITY AND LIABILITY		
Equity Attributable to Owners of the Company		
Share Capital	61,004	61,004
Reserves	(63,534)	(63,366)
TOTAL EQUITY	(2,530)	(2,362)
LIABILITY		
Current Liability		
Trade and Non-Trade Payables	2,550	2,383
	2,550	2,383
TOTAL LIABILITY	<u>2,550</u>	<u>2,383</u>
TOTAL EQUITY AND LIABILITY	<u>20</u>	<u>21</u>
Net Asset Per Share (RM)	<u>(0.001)</u>	<u>(0.001)</u>

Notes:

- (i) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statement for the year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.*

CHINA AUTOMOBILE PARTS HOLDINGS LIMITED (Bermuda Company No. 46416)
(Malaysian Foreign Company Registration No. 995377-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31
DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non-Distributable Capital Redemption Reserve RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
Unaudited				
As at 1 July 2021	61,004	432,401	(495,767)	(2,362)
Loss for the financial period	-	-	(168)	(168)
Total comprehensive income	-	-	(168)	(168)
As at 31 December 2021	61,004	432,401	(495,935)	(2,530)
Unaudited				
As at 1 July 2020	61,004	432,401	(495,539)	(2,134)
Loss for the financial year	-	-	(90)	(90)
Total comprehensive income	-	-	(90)	(90)
As at 31 December 2020	61,004	432,401	(495,629)	(2,224)

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31.12.2021 RM'000 Unaudited	Preceding Year To Date 31.12.2020 RM'000 Unaudited
Cash Flows from Operating Activity		
Loss before taxation	(168)	(90)
Increase in payables	167	90
Net cash used in operating activity	(1)	-
Cash Flows from Investing Activity		
Net cash generated from investing activity	-	-
Cash Flows from Financing Activity		
Net cash generated from financing activity	-	-
Net decrease in cash and cash equivalents	(1)	-
Cash and cash equivalents as at beginning of financial period	21	22
Cash and cash equivalents as at end of financial period	20	22

Note:

1. Cash and cash equivalents at the end of the financial period comprise the following:-

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Cash and bank balances	20	22

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.